



**Contra
Costa
County**

To: Board of Supervisors
From: David Twa, County Administrator
Date: November 1, 2016

Subject: Proposed Health Plan Changes for Specified Retirees who Retired on or after January 1, 2016 or opted out of Retiree Support Group Settlement

RECOMMENDATION(S):

- **ACKNOWLEDGE** that the majority of active employees and early (“Non-Medicare”) retirees will be enrolling in three tier health plans for the 2017 plan year, at the subsidies shown in negotiated agreements or the management resolution;
- **ADOPT** proposed health plan changes for specified retirees who either retired on or after January 1, 2016, or opted out of the Retiree Support Group Settlement:
 - Effective January 1, 2017, Non-Medicare retirees will have access to all ten (10) County health plans available to active employees
 - Effective January 1, 2017, Non-Medicare retirees will be placed in a three tier plan structure; and
- **ACKNOWLEDGE** that the proposed changes will increase the number of plans offered to these specified retirees.

FISCAL IMPACT:

No change to County subsidies or costs. The County monthly premiums subsidies for these specified retirees are fixed at the flat dollar amounts stated in the applicable negotiated

☒ **APPROVE**

☐ **OTHER**

☒ **RECOMMENDATION OF CNTY
ADMINISTRATOR**

☐ **RECOMMENDATION OF BOARD
COMMITTEE**

Action of Board On: **11/01/2016** ☒ **APPROVED AS RECOMMENDED** ☐ **OTHER**

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Mary N. Piepho, District III Supervisor
Karen Mitchoff, District IV Supervisor
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: November 1, 2016

David Twa, County Administrator and Clerk of the Board of Supervisors

Contact: Lisa Driscoll, County Finance Director (925) 335-1023

By: June McHuen, Deputy

agreement or management resolution.

BACKGROUND:

On October 25, 2016, the court gave final approval to the class action settlement in *Retiree Support Group of Contra Costa County et al. v. Contra Costa County*. The Settlement Agreement covers a class of 4,200 retirees who retired on or before January 1, 2016, and participate in County health plans. Pursuant to the Settlement Agreement, the Non-Medicare Retirees in the retiree class will be placed in a three tier premium structure effective January 1, 2017. The County monthly premiums subsidies for the retiree class are fixed at the dollar amounts stated in the Agreement. Effective January 1, 2017, the Settlement Agreement provides a \$150 increase to the fixed monthly premium subsidy for Non-Medicare Retirees in the Retiree Plus Two or More tier only. A separate \$25 increase to the fixed monthly premium subsidy for Medicare Retirees With All Dependents on Medicare occurs in 2021. These specified increases apply only to members of the retiree class.

If approved, this action will move specified Non-Medicare retirees who either retired on or after January 1, 2016 or opted out of Retiree Support Group Settlement to a three tier premium structure effective January 1, 2017. The County monthly premiums subsidies for these specified retirees remain fixed at the flat dollar amounts stated in the applicable negotiated memorandum of understanding or management resolution. Non-Medicare retirees will have access to all ten County health plans, including the Teamsters 856 Trust Fund KP Health Plan.

The specified retirees are those Non-Medicare retirees participating in County health plans who either retired on or after January 1, 2016, or opted out of the Retiree Support Group Settlement and were represented by one of the following bargaining units at the time of retirement:

1. AFSCME 512
2. AFSCME 2700
3. CCC Defenders Association
4. CCC Deputy District Attorneys Association
5. CCC Employees' Association, Local 1
6. IFPTE Local 21
7. Physicians and Dentists Organization of Contra Costa
8. Probation Peace Officers of CCC
9. SEIU Local 1021
10. Teamsters, Local 856
11. Western Council of Engineers
12. Unrepresented

Attached are the medical and dental premiums and subsidies for the 2017 plan year for qualifying retirees.

CONSEQUENCE OF NEGATIVE ACTION:

Specified Non-Medicare retirees would not have access to the three tier structure, which is generally more advantageous for Retirees and would not have access to all ten County health plans.

ATTACHMENTS

Medical and Dental Premiums and Subsidies for the 2017 Plan Year for Qualifying Retirees